

8. Industrial Relations in India

In simple terms Industrial Relations deals with the worker employee relation in any industry Government has attempted to make Industrial Relations more healthy by enacting Industrial Disputes Act 1947. Concept of Industrial Relations in the terms of Industrial Relations comprises of two different terms as Industry and Relations.

Industry in terms basically refers to any productive activity in which an individual or a group of individuals are engaged. The term relations mean the relationships that exist within the industry between the employer and his workmen. Therefore the term industrial relations explain the relationship between employees and management which is derived directly or indirectly from union employer relationship.

“ According to Dale Yoder "A relationship between management and employees or among employees and their organizations that characterize and grow out of the employment"
According to J.T. Dunlop industrial relations as "the complex interrelations among managers, workers and agencies of the governments"

Thus Industrial relations has become one of the most delicate and complex problems of modern industrial society. Industrial progress is impossible without cooperation of labors and harmonious relationships. Therefore, it is in the interest of all to create and maintain good relations between employees (labor) and employers (management).

Objectives of Industrial Relations

- To enhance economic status of worker.
- To avoid industrial conflicts and their consequences.
- To extend and maintain industrial democracy.
- To provide an opportunity to the worker to have a say in the management decision making.
- To regulate production by minimizing conflicts.
- To provide forum to the workers to solve their problems through mutual negotiations and consultations with management.
- To encourage and develop trade union in order to develop workers collective strength.

Factors Impacting Industrial Relations

Industrial relations are impacted with so many other factors besides the day to day working relationship between workers and management inside the workplace and these factors are beyond the immediate purview of them.



Below are the main factors impacting IR :

1. Economic Factors : Economic factors include, economic organizations - capitalist vies, communist approach and a mixed of both etc. the structure of labour force, demand force and supply of labour force. Availability and demand for skilled v/s unskilled workforce.

2. Technological Factors : The amount of automation, mechanization, manpower rationalization and computerization are some of the reasons making rampant changes in the industry.

3. Institutional Changes : These institutions include government policies, labour legislation, collective agreements, different employees and employers' federations and like local community etc.

4. Social and Cultural Factor : These factors includes Population, Religion, Customs and tradition of people, ethenic group, cultural of various group of people.

5. Political Factor : These factors include political system, political parties and ideologies, trade union, policies etc.

6. Government Factors : These factors includes govt. policies, industrial policies, labour policies, Import and Export Policies and economic policies etc.

Advantage of Industrial Relation

1. Smooth Running of Operations : One of main advantage is ensuring smooth running of operations in the plant and ensures continuous production which serves continuous employment to all the employees in the company. Continuous running of operations ensure optimum utilization of resources and improvement in efficiencies and productivity which directly impacts the companies bottom lines positively.

2. Improvement in Product Quality : In view of good industrial relations employees and workers are more motivated and take increased ownership for their jobs on the floor. They take full ownership of the jobs which reflects in timely delivery of quality products. This not only reflects better quality product and services to customer but also help in reducing waste and saving the cost in the process.

3. Reduction in Industrial Disputes : Good industrial relations reduce the industrial disputes. Because disputes are reflections of the failure of basic human urges or motivations to secure adequate satisfaction or expression which are fully cured by good industrial relations. Strikes, lockouts, go slow tactics, and grievances are some of the reflections of industrial unrest which do not spring up in an atmosphere of industrial peace. It helps promoting co-operation and increasing production.

4. Increase In Employee Morale : The harmonious industrial relations impact employees morale directly across levels be it workers or officer of the company.

5. Employee Engagement and Mental Revolution : Good industrial relations impact employees' engagement positively. Consequently, the industrial peace lies ultimately in a transformed outlook on the part of workers and employees. Hence its imperative on the part of company leadership, employees and Government to work out a new relationship in consonance with a spirit of true democracy.

Industrial Relations In India

The history of industrial relations, in India, can be seen in the following Context:

(A) Pre Independence Era

- (B) Post-Independence Era.
- (C) Post Liberalization Era

(A) Pre Independence

There were hardly any laws were present to protect the rights of workers except that of Employers and Workmen Dispute Act 1860 which was used to settle wage disputes. As results it has following implications from IR point of view:

- Numerous strikes and disturbances happened the great depression during 1928 and 1929.
- As a result to above Government enacted Trade Disputes Act 1929 to enhance early settlement of industrial dispute based on British Industrial Courts (Act) 1919. But it did not provide for any standing machinery to settle industrial disputes and also state and central government made no adequate use of this law.
- In 1938, to meet acute industrial unrest prevailing then, Bombay Industrial Relations (BIR) Act was enacted by Bombay Government. For the first time permanent machinery called Industrial Court was established for settling disputes. This was replaced by BIR Act 1946, which was amended in 1948, 1949, 1953 and 1956 and so on. Soon after the Second World War, India faced many problems like rise in cost of living, high population, scarcity of essential commodities, unemployment and turbulent Industrial relations situation.

(B) Post-Independence

After independence significant steps were taken to protect the rights of labour and provided a formal mechanism to settle their disputes.

Main characteristic feature of industrial relation during this period was a change in Government's attitude towards labor and their problems in the form of continuous focus on labour laws enactment. These labor laws cover many issue concerning labor, such as seniority, wage rates, paid holidays, disciplinary matters, social security. To protect the interest of worker and regulate their employment many acts came into existence.

Some of the important labour enactments took place in post-independence era were :

- Factories Act - 1948
- Industrial Disputes Act - 1947
- Employees State Insurance Act - 1948
- Employees Provident Fund Act - 1952
- Model Standing Orders Act - 1946
- Payment of Minimum Wages Act - 1948
- Payment of Bonus Act - 1965
- Payment of Gratuity Act - 1972
- Equal Remuneration Act - 1976

(C) Post Liberalization

Liberalization came in India in 1990s and it has caused a huge change in the Indian Industry. It opened the door for MNC companies in India which attracted foreign investment in the country. This has increased employment opportunity in India, increased flexibility for investment, import of new technology, and new ways of doing business, automation, added new infrastructure and creation of world class facilities in the country.

It also leveled up the quality of products, delivery and service standards in the industry therefore Employees and workers were exposed to different world class technologies and work environment. Industry has witnessed unprecedented increase in salaries and benefits.

Industrial Dispute Act

The Industrial Disputes Act 1947 extends to the whole of India and regulates Indian Labour Law so far as that concerns trade unions as well as Individual workman employed in any Industry within the territory of Indian mainland. It came into force April 1, 1947. It extends to the whole of India:

According to Section 2A: Where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is a party to the dispute.

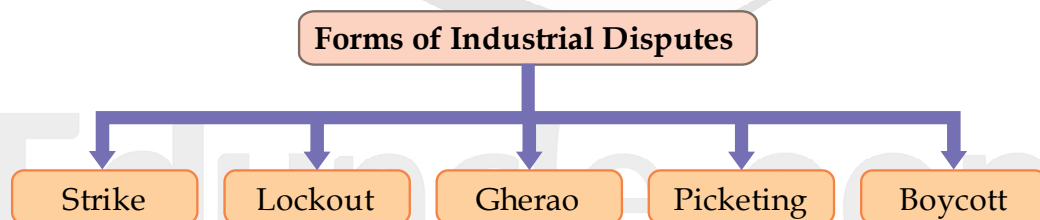
Objectives of Indian Industrial Dispute Act :

- To encourage good relations between labor and industries, and provide a medium of settling disputes through adjudicator authorities.
- To provide a committee for dispute settlement between industry and labor with the right of representation by a registered trade union or by an association of employers.
- Prevent unauthorized strikes and lockouts.
- Reach out to labor that has been laid-off, unrightfully dismissed, etc.
- Provide labor the right to collective bargaining and promote conciliation.

Authorities under Indian Industrial Dispute Act :

- Works committee.
- Conciliation officer.
- Boards of conciliation.
- Courts of inquiry.
- Labor courts.
- Industrial tribunals.
- National tribunals.

Forms of Industrial Disputes



1. Strike : Strike action, also called labour strike, on strike, greve (of French: grève), or simply strike, is a work stoppage caused by the mass refusal of employees to work. A strike usually takes place in response to employee grievances.

- **Economic Strike :** Under this type of strike, labors stop their work to enforce their economic demands such as wages and bonus. In these kinds of strikes, workers ask for increase in wages, allowances like traveling allowance, house rent allowance, dearness allowance, bonus and other facilities such as increase in privilege leave and casual leave.

- **Sympathetic Strike** : When workers of one unit or industry go on strike in sympathy with workers of another unit or industry who are already on strike, it is called a sympathetic strike. The members of other unions involve themselves in a strike to support or express their sympathy with the members of unions who are on strike in other undertakings.
- **General Strike** : It means a strike by members of all or most of the unions in a region or an industry. It may be a strike of all the workers in a particular region of industry to force demands common to all the workers. These strikes are usually intended to create political pressure on the ruling government, rather than on any one employer. It may also be an extension of the sympathetic strike to express generalized protest by the workers.
- **Sit down Strike** : In this case, workers do not absent themselves from their place of work when they are on strike. They keep control over production facilities. But do not work. Such a strike is also known as '**pen down**' or '**tool down**' strike. Workers show up to their place of employment, but they refuse to work.
- **Slow Down Strike** : Employees remain on their jobs under this type of strike. They do not stop work, but restrict the rate of output in an organized manner. They adopt go-slow tactics to put pressure on the employers.
- **Hunger Strike** : In this form of industrial protest, workmen resort to fasting near the workplace in order to demand the employer to redress their grievances.

2. Lockout : Lockout means temporary shutdown of the factory by the employer, but not winding up (permanent) of the factory. Lockout of the factory maybe happened due to the failure in the management affected by internal disturbances or maybe by external disturbances.

According to Industrial Disputes Act 1947, Lockout [Sec.2(1)] Lockout means "the temporary closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him". Lockout is the antithesis of strike.

3. Gherao : Gherao means to surround. It is a physical blockade of managers by encirclement aimed at preventing the egress and ingress from and to a particular office or place. A group of Workers initiate collective action aimed at preventing members of the management from leaving the office.

4. Picketing : Picketing is a method designed to request workers to withdraw co-operation to the employer. In picketing, workers through display signs, banners and play-cards drew the attention of the public that there is a dispute between workers and employer.

Workers prevent their colleagues from entering the place of work and persuade them to join the strike. For this, some of the union workers are posted at the factory gate to persuade others not to enter the premises but to join the strike.

5. Boycott : The workers may boycott use of company's product. They may request the general public also to do so. This adversely effects the sale of company's product.